



Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383  
Fax: (517) 373-1986

House Bill 5277 (Substitute S-1 as reported)  
Sponsor: Representative Mike Callton, D.C.  
House Committee: Financial Services  
Senate Committee: Banking and Financial Institutions

### **CONTENT**

The bill would amend Chapter 32 of the Revised Judicature Act (which provides for foreclosure of mortgages by advertisement) to do the following:

- Require a purchaser of foreclosed property to issue notice before conducting an interior inspection of the property during the redemption period.
- Specify that a purchaser could conduct any number of exterior inspections of the property during the redemption period.
- Allow a purchaser to request information on the condition of the interior of any structures on the property; and allow the purchaser to schedule an interior inspection of structures if the mortgagor refused to provide information.
- Require a mortgagor to inform the purchaser of the mortgagor's intent to vacate the foreclosed property after the foreclosure sale.
- Require the purchaser to notify the mortgagor that the purchaser intended to commence summary proceedings if damage to, or a condition on, the property were not repaired or corrected in seven days.
- Prohibit a purchaser from commencing summary proceedings if the damage or condition were repaired, or the mortgagor and purchaser agreed on a procedure and timeline to repair the damage or condition.
- Specify factors that the court would have to consider in granting a judgment of possession in favor of a purchaser.
- Create a rebuttable presumption that a mortgagor would be liable to the purchaser for damage to the property if the mortgagor failed to submit requested information or consent to requested inspections.
- Create a rebuttable presumption that a mortgagor would not be liable to the purchaser for damage to the property if mortgagor consented to requested inspections and submitted requested information.

The bill also would delete provisions and repeal sections related to a loan modification program for residential property, under sections that were previously repealed.

The bill would be effective 30 days after it was enacted.

MCL 600.3204 et al.

Legislative Analyst: Jeff Mann

### **FISCAL IMPACT**

The bill would have no fiscal impact on State or local government.

Date Completed: 3-17-14

Fiscal Analyst: Josh Sefton

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Bill Analysis @ [www.senate.michigan.gov/sfa](http://www.senate.michigan.gov/sfa)

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